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INFO RUEHPNH/NVC PORTSMOUTH NH
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RUEHBJ/AMEMBASSY BEIJING 1955
RUEHGZ/AMCONSUL GUANGZHOU 0826
RUEHSH/AMCONSUL SHENYANG 0803
RUEHGH/AMCONSUL SHANGHAI 0840
RUEHCN/AMCONSUL CHENGDU 4238

UNCLAS SECTION 01 OF 04 CHENGDU 000266

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DEPT FOR CA/FPP
DHS FOR CIS/FDNS
DEPT ALSO PASS TO KCC

E.O. 12958: N/A
TAGS: [KFRD](#) [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [CH](#)
SUBJECT: CHENGDU B1/B2 VALIDATION STUDY

REF: A) STATE 172283, B) 2007 CHENGDU 101, C) 2005 CHENGDU 139, D) 2003
CHENGDU 873, E) 2001 CHENGDU 183

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11. (U) SUMMARY: Consulate Chengdu's Fraud Prevention Unit (FPU) conducted a validation study of all private Chinese passport holders who were issued B1/B2 visas in CY2008. Based on a review and analysis of 800 randomly-selected visa issuances, the illegal overstay rate was found to be 2.0 percent. Nearly half of the applicants who illegally overstayed their visas were parents going to visit children living in the United States. Most of the others who illegally overstayed were working-age and claimed to be managers at small- or medium-sized Chinese companies traveling for business meetings or required training. In the majority of these cases, applicants had both fraudulent employment and purpose of travel. School-age children and individuals going to the U.S. for tourism appear to have significantly lower overstay rates. While this study did not specifically focus on business travelers, its results indicate a significant decline in Chengdu's business traveler overstay rate. END SUMMARY.

Background

12. (U) The Chengdu consular district covers Sichuan, Yunnan and Guizhou Provinces, the Tibet Autonomous Region (TAR), and the Chongqing Municipality. The majority of the Consulate's NIV applicants hail from Chengdu (Sichuan), Chongqing and Kunming (Yunnan), followed by Guiyang (Guizhou) and smaller cities and towns throughout the region. Post sees relatively few applicants from the TAR.

13. (U) The social and economic conditions in the Chengdu consular district mirror those found in the Mission's other four consular districts. The area supports a healthy mix of industry and agriculture, which in recent years has led to increased prosperity for the over 200 million residents served by Post. As a result, the number of both applicants and issuances of B1/B2 visas has increased dramatically in recent years. From CY2004 to CY2008, for example, Post has seen an 83 percent increase in B1/B2 applications and a 115 percent increase in

B1/B2 issuances.

¶4. (U) This is the first comprehensive B1/B2 validation study conducted by Post, as previous surveys done in Chengdu were all more narrowly focused. In 2001, 2003, and 2007, studies of B1 business travelers bearing private passports found non-return or overstay rates of 55.0, 25.0, and 12.4 percent, respectively (reftels B, C, and D). In 2005, Post also conducted a survey of Chinese public affairs (FAO) passport holders going on official travel to the United States, and found an overstay rate of less than 3 percent (reftel E).

Methodology

¶5. (U) In CY2008, Post issued 17,374 B1/B2 non-immigrant visas (NIVs) to holders of private Chinese passports. To conduct its validation study, the FPU randomly selected 800 cases from this set of issued visas. Holders of Chinese diplomatic, public affairs, and service passports were excluded from the sample, since historically their overstay rates have varied significantly from the private passport population (reftel E). Third-country nationals were also excluded from the study.

¶6. (U) Using the Consular Consolidated Database (CCD), the FPU pulled records of all B1/B2 issuances during CY2008 and exported the data into an Excel spreadsheet file. Based on CA/FPP guidance (reftel A), the FPU identified a random sample of 800 B1/B2 issuances, which provides a margin of error of 3 percent

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with a 95 percent confidence level. The data set was sent to CA/FPP, which then processed the biographical information through the Department of Homeland Security's (DHS) Arrival and Departure Information System (ADIS) database. DHS provided the entry, exit and any change of status information for each applicant.

¶7. (U) According to the definitions used by CA/FPP, issuances with corresponding ADIS entry and departure records, without overstays, including those with DHS extensions of stay, were considered good return travelers to China (reftel A). For those individuals with arrival records but without matching departure records, Chengdu's FPU individually reprocessed these cases through ADIS to confirm the lack of departure record. While not definitive proof, the absence of a departure record in ADIS is a significant indicator that a person may have overstayed their visa or was a non-returnee. For each of these individuals, the FPU conducted telephone inquiries and attempted to contact each suspected non-returning applicant. After a minimum of three unsuccessful attempts, the individual was placed in the final "illegal overstay" category.

Results

¶8. (U) The data compiled for this study are listed below:

Total cases in random sample = 800 (total = 100%)

Traveled = 747 (93.4%)

Did not travel = 53 (6.6%)

Of those who traveled:

Returned to China = 700 (87.5%)

Currently in status in U.S. or have legally adjusted status = 31 (3.9%)

Confirmed illegal overstays = 16 (2.0%)

(Note: numbers in parentheses above are percentage of 800 total cases in sample. End note.)

¶9. (U) Of the 800 B1/B2 visas issued in Chengdu in CY2008, Chengdu's FPU detected 16 illegal overstays for a rate of 2.0 percent. All of these illegal overstays were travelers who stayed in the U.S. longer than their Authorized Until Date (AUD) granted to them by DHS upon entry into the U.S. Nine travelers stayed beyond their AUD without a DHS-authorized extension but eventually returned to China. Seven of these travelers, however, not only stayed in the U.S. longer than their AUD, but also appear to still be in the U.S. illegally.

¶10. (U) Thirty one travelers from the sample have legally adjusted their status with DHS. These cases include adjustments to student F1 status and others who received legal extensions of stay, whereby a traveler has their AUD adjusted to a later date. According to CA/FPP guidance (reftel A), these issuances are treated as good return travelers since they did not illegally overstay their visas.

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¶11. (U) It is noteworthy that there were no confirmed overstays for individuals whose purpose of travel was tourism, nor were there for any summer or winter student home stay programs. Likewise, no school-age children were found to have overstayed their visas. Due to the small population sizes involved in this study, it is difficult to draw firm conclusions about who is likely to overstay a visa. However, all of the 16 confirmed illegal overstays match one of the following three profiles:

The Three Overstay Profiles

¶12. (U) Visiting relatives in the U.S.: Seven of the 16 confirmed overstay cases were applicants who went to visit relatives in the U.S. Of these, six were parents going to visit their children (and in some cases, also their grandchildren) who were either American citizens, Legal Permanent Residents (LPRs), or temporary workers on H1B visas. In five of the six Chinese parent cases, the applicants had previously traveled to the U.S. and returned to China, maintaining legal status throughout their previous trips. This finding suggests that prior travel to the

U.S. should not be viewed as a guarantee that Chinese parents will necessarily maintain their legal status in the U.S. The seventh case is one where the applicant went to visit his LPR wife and child in the U.S. and illegally overstayed his visa, although he did eventually return to China after his trip. He, too, had previous legal travel to the U.S.

¶13. (U) Fraudulent business travelers: Five of the 16 illegal overstay cases involved applicants with confirmed fraudulent employment and purpose of travel. In each case the individual claimed to be a business traveler, but presented fraudulent work credentials and fake invitation letters from U.S. inviters. In four of the five cases, the applicants were in their 30s or 40s and claimed to be managers of small- or medium-sized Chinese companies. In the fifth case, the applicant purportedly worked for a large U.S. firm as the regional branch manager. None of these applicants had prior travel to the U.S. and only one had any prior travel abroad. Based upon the FPU's investigation, all five of these travelers have not only illegally overstayed their visas, but also appear to have illegally immigrated to the U.S.

¶14. (U) Business meetings and training: Four of the 16 illegal overstays were business travelers going to the U.S. for training. Three of them worked for larger, well-known companies within the Chengdu consular district and were sent to the U.S. for employer-sponsored technical training. The fourth case involved an individual who was going for non-technical business training and had previously traveled to the U.S. several times before her overstay. Based upon the FPU's investigation, all four had legitimate employment and purpose of travel at the time of their interviews. Unlike the group of fraudulent business travelers mentioned above, all four have returned to China after their illegal overstay.

Analysis and Comment

¶15. (U) Since Chengdu saw a significant increase in the number of fake business travelers in recent years, Chengdu's interviewing line officers and the FPU became increasingly vigilant about suspect cases. The number of cases referred to the FPU for investigation and the number of confirmed fraudulent cases increased substantially during CY2008. Because these types of applicants - had they been issued a visa - would very likely have overstayed or not returned to China, refusing their visas appears to have helped lower the overall B1/B2 overstay rate.

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¶16. (U) Because applicants matching the fraudulent business traveler profiled above are still very prevalent in Chengdu, the FPU has developed a fraud library with an extensive collection of fake employment and invitation letters. The FPU also conducts training for adjudicating officers to help them identify suspect business travelers.

Conclusion

¶17. (U) The local economy in the Chengdu consular district

provides ample opportunities to earn a good living, and as a result, applicants issued B1/B2 visas appear to be generally well-qualified. While this survey did not disaggregate business and leisure travelers, the trend in Chengdu's declining overstay rates is clear. The study's finding of a 2.0 percent combined business and leisure overstay rate suggest both groups generally do not abuse their B1/B2 visas. The results are also in marked contrast to Chengdu's previous validation studies going back to CY2001 (reftels B, D, and E), in which B1-issued business travelers showed significantly higher overstay rates. However, as this general B1/B2 validation study is unable to provide detailed information about specific population groups, Chengdu's FPU is planning to carry out more targeted NIV validation studies in the future. Possibilities include validation studies focusing on business travelers, parents visiting children, tourist groups, and students and exchange visitors.

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